

**Amendments to the Abstract**

Please **add** the following Abstract to this application.

--A video encoder and method are provided for encoding video signal data for at least one cross-fade picture disposed between a fade-out start picture and a fade-in end picture, where the encoder portion includes a reference picture weighting factor unit for assigning weighting factors corresponding to each of the fade-out start picture and the fade-in end picture, respectively, and the method for encoding cross-fades between pictures includes identifying pictures between which a cross-fade is desired, determining appropriate end-points for the cross-fade, and encoding the end-points prior to encoding the cross-fade picture. --